



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 868** HLS 09RS 1833
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.: HB 484

Date: June 24, 2009 3:31 PM	Author: LITTLE
Dept./Agy.: Revenue/Agriculture	
Subject: Allows Ag. to enforce compliance on timber severance	Analyst: Deborah Vivien

TAX/SEVERANCE TAXEN NO IMPACT GF RV See NotePage 1 of 1

Provides relative to the collection of timber severance taxes and authorizes the commissioner of the Dept. of Agriculture to appoint a director under certain circumstances

Current law provides that the Department of Revenue pay an administrative fee of 1.5% of all timber severance, interest, penalties and fees collected to the Department of Agriculture for use in expenses involved in the collection of the timber severance tax.

Proposed law retains current law and removes the fixed amount of the administrative fee allowing it to be equal to the cost of collection not to exceed 15% of the total liability to be paid by the debtor. The bill also removes the authority for the Department of Agriculture to collect interest, penalties, and fees and allows the Department of Agriculture to appoint a director in an unclassified position to administer the activities required in the agreement.

Effective upon governor's signature.

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill appears to contemplate additional enforcement and compliance activities being provided by the Department of Agriculture to the Department of Revenue with regard to severance tax collections on timber production. It is not expected that the negotiated fee will deviate significantly from the current rate of 1.5% leaving no fiscal impact from this bill.

To the extent that additional compliance and enforcement activities undertaken by the Department of Agriculture are successful, additional severance taxes may be collected. However, the bill does not directly change the timber severance tax base or rate, and additional tax collections, if any, are speculative.